

MWB's Guide To Selling Your Property

Introduction

This guide is intended to give you an overview of the legal processes involved in selling your property. It is only concerned with the processes of selling your property and not with buying another property. We have produced a separate guide for buying a property and if you are also buying a property, you should read through that guide as well.

Stage One – Pre-exchange

(a) Preparing the sale contract

In order to sell your property you need to prove to the buyer that you own it and that there is nothing wrong with the legal title, the planning history or the surrounding area. Nowadays, most properties are registered at the land registry so we have to purchase a copy of your title registers from them. This shows who owns the property and what legal matters affect the property. From these registers we can prepare the sale contract. If your property is not registered at the land registry we will need the title deeds before we can prepare the contract. Locating and obtaining these can take time and cause delay. Any help and information you can provide could reduce any delay.

(b) Forms and Questionnaires

When you instruct us to act for you we will send you some forms and questionnaires about you and your property. You need to complete these as fully as possible and return them with any other relevant information and documents, such as planning permissions and guarantees. It is important that you answer all the questions and do not give false information.

(c) Sending out the sales pack

When we have prepared the sale contract and received all the completed forms from you we will send it all to the buyer's conveyancer. The buyer's conveyancer will then investigate your title and make a number of searches against the property. Depending on the type of search being made, it can take anything between a few days and four weeks to receive the search result. During this time the buyer should be organising his mortgage and carry out a survey of your property.

(d) Answering the buyer's questions

The Buyer's conveyancer will investigate your title to the property and check the results of the searches they made. They may ask additional questions resulting from this investigation. If we can answer these we will, but we may need to ask for your input as well.

Stage Two - Exchanging contracts

Until contracts are exchanged neither you nor your buyer have to proceed with the sale/purchase. However, once contracts are exchanged, you are both legally obligated to proceed and there are financial implications and penalties for any party that does not proceed in accordance with the contract.

Before contracts can be exchanged, you and your buyer and any one else in the chain need to agree the completion date. This is the date when ownership of the property actually changes and the new owners can move in and the present owners must move out. Before agreeing to any suggested date, check you can book a removal company for that date. Completions can only take place on Monday to Friday inclusive, not at weekends or on bank holidays due to the banks being closed. We recommend that the completion date is at least two weeks after exchange of contracts to allow us sufficient time to carry out the post-exchange work and to allow you time to do everything you need to do before the big day.

Exchange of contracts is dealt with by us and your buyer's conveyancer over the telephone. During the telephone conversation we each write in the completion date, the amount of deposit and the date and time of the exchange of contracts. Each conveyancer will then put the contract in the post to the other conveyancer. Your buyer's conveyancer will also send us a cheque for the deposit. We cannot give the deposit to you until completion, but we can use the deposit as the deposit on any related purchase by you.

Stage Three – Post-exchange

(a) Completion statement

Once contracts are exchanged we will request redemption statements from your mortgage lenders and prepare a completion statement for you. This will summarise the financial arrangements, showing all the money we have or will receive on your behalf and all the payments we have or will need to make on your behalf, including the balance due to you on completion. It is important that you check this carefully and speak to us if you think there is an error.

(b) Money from you

On rare occasions, the sale proceeds are insufficient to repay the mortgages, the estate agent and us. In this situation, the completion statement will state how much we need from you. You can either give us a cheque for the balance required (at least 5 working days before completion) or send us the funds needed by either CHAPS or BACS, but we will need these funds in our account at least a day before completion. Any funds you give us must be from your bank account and not from a relative or friend. This is because we have only made money laundering checks against you. Please note that we cannot accept cash.

(c) Transfer Deed

Before completion the buyer's conveyancer will send us a Transfer Deed for our approval and once approved, both you and your buyer will need to sign this. Completion may not take place on the agreed date if the Transfer Deed has not been signed by you and returned to us before the completion date. If this happens you will be in breach of contract and liable to pay interest and compensation to the buyer.

Stage Four – Completion Day

(a) Purchase monies

Your buyer's conveyancer will send us the purchase monies (less the deposit paid to us on exchange) electronically to our bank account. Before this can happen the buyer's conveyancer may need to receive money from the buyer, the buyer's mortgage lender and the person buying your buyer's property. This means that it is difficult to say precisely when we will receive the money on the completion day.

When we have received the balance of the purchase monies we will repay any mortgages secured on your property. This is usually done electronically. We also post a cheque to your estate agent to settle their account. We can offer a number of options for you to receive the balance due to you. We can:

- 1 Send the balance electronically to a UK account nominated by you. This has the advantage that the money is treated as "cleared" funds which means that you can draw on it straight away, unlike a cheque.
- 2 Send a cheque to your home.
- 3 Have a cheque waiting for you at our office so that you can collect it.

(b) Title Deeds

All your title deeds and the Transfer Deed are sent to your buyer's conveyancer so that they can register the change of ownership at the land registry.

Stage Five – Post-completion

If you have previously assigned some life/endowment policies to your mortgage lender as additional security for your mortgages, we will liaise with your mortgage lender to get these re-assigned back to you. We will also notify the assurance company that the policies have been re-assigned back to you.

Completion Day Reminders

Don't forget to:

- Take meter reading and inform your service providers of the readings and your new address
- Inform the Council Tax department
- Inform your telephone supplier and if required, transfer your telephone number
- Cancel any redundant bank standing orders or direct debits
- Either transfer your buildings and contents insurance to your new property or cancel the policy
- Re-direct your post
- Move out by the time specified in the contract on the completion day

We hope you find this Guide useful. It is only intended as a summary of the processes involved in selling a property. We will liaise with you throughout your sale and where appropriate, explain anything as it arises. If you have any questions during your sale, we will be happy to answer them.

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N.B This information is correct as at 01.11.05.